

By: Allen

H.B. No. 4057

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the regulation and reporting of political contributions
3 and expenditures and legislative caucus contributions and
4 expenditures.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 251.001(2), Election Code, is amended to
7 read as follows:

8 (2) "Contribution" means a direct or indirect transfer
9 of money, goods, services, or any other thing of value [~~and includes~~
10 ~~an agreement made or other obligation incurred, whether legally~~
11 ~~enforceable or not, to make a transfer~~]. The term includes a loan or
12 extension of credit, other than those expressly excluded by this
13 subdivision, and a guarantee of a loan or extension of credit,
14 including a loan described by this subdivision. The term does not
15 include:

16 (A) a loan made in the due course of business by a
17 corporation that is legally engaged in the business of lending
18 money and that has conducted the business continuously for more
19 than one year before the loan is made; or

20 (B) an expenditure required to be reported under
21 Section 305.006(b), Government Code.

22 SECTION 2. Sections 253.031(b) and (c), Election Code, are
23 amended to read as follows:

24 (b) A political committee may not knowingly accept

1 political contributions totaling more than \$500 in a calendar year
2 or make or authorize political expenditures totaling more than \$500
3 in a calendar year unless ~~[at a time when]~~ a campaign treasurer
4 appointment for the committee is ~~[not]~~ in effect.

5 (c) A political committee may not knowingly make or
6 authorize a campaign contribution or campaign expenditure
7 ~~[supporting or opposing a candidate for an office specified by~~
8 ~~Section 252.005(1)]~~ in connection with a primary or general
9 election unless the committee's campaign treasurer appointment has
10 been filed not later than the 30th day before the appropriate
11 election day.

12 SECTION 3. Section 253.037(a), Election Code, is amended to
13 read as follows:

14 (a) A general-purpose committee may not knowingly make or
15 authorize a political contribution or political expenditure unless
16 the committee has [~~+~~

17 ~~(1) filed its campaign treasurer appointment not~~
18 ~~later than the 60th day before the date the contribution or~~
19 ~~expenditure is made, and~~

20 ~~(2)]~~ accepted political contributions from at least
21 10 persons.

22 SECTION 4. Section 254.031, Election Code, is amended by
23 amending Subsections (a) and (a-1) and adding Subsection (a-2) to
24 read as follows:

25 (a) Except as otherwise provided by this chapter, each
26 report filed under this chapter must include:

27 (1) the amount of political contributions from each

1 person that [~~in the aggregate~~] exceed \$50 and that are accepted
2 during the reporting period by the person or committee required to
3 file a report under this chapter, the full name and address of the
4 person making the contributions, and the dates of the
5 contributions;

6 (2) for each individual from whom the person filing
7 the report has accepted political contributions that equal or
8 exceed \$250 and that are accepted during the reporting period:

9 (A) the individual's principal occupation or job
10 title; and

11 (B) the full name of the individual's employer;

12 (3) the amount of loans that are made during the
13 reporting period for campaign or officeholder purposes to the
14 person or committee required to file the report and that in the
15 aggregate exceed \$50, the dates the loans are made, the interest
16 rate, the maturity date, the type of collateral for the loans, if
17 any, the full name and address of the person or financial
18 institution making the loans, the full name and address, principal
19 occupation, and name of the employer of each guarantor of the loans,
20 the amount of the loans guaranteed by each guarantor, and the
21 aggregate principal amount of all outstanding loans as of the last
22 day of the reporting period;

23 (4) [~~(3)~~] the amount of political expenditures that in
24 the aggregate exceed \$50 and that are made during the reporting
25 period, the full name and address of the persons to whom the
26 expenditures are made, and the dates and purposes of the
27 expenditures;

1 (5) [~~(4)~~] the amount of each payment made during the
2 reporting period from a political contribution if the payment is
3 not a political expenditure, the full name and address of the person
4 to whom the payment is made, and the date and purpose of the
5 payment;

6 (6) [~~(5)~~] the total amount or a specific listing of
7 the political contributions of \$50 or less accepted and the total
8 amount or a specific listing of the political expenditures of \$50 or
9 less made during the reporting period;

10 (7) [~~(6)~~] the total amount of all political
11 contributions accepted and the total amount of all political
12 expenditures made during the reporting period;

13 (8) [~~(7)~~] the name of each candidate or officeholder
14 who benefits from a direct campaign expenditure made during the
15 reporting period by the person or committee required to file the
16 report, and the office sought or held, excluding a direct campaign
17 expenditure that is made by the principal political committee of a
18 political party on behalf of a slate of two or more nominees of that
19 party; and

20 (9) [~~(8)~~] as of the last day of a reporting period for
21 which the person is required to file a report, the total amount of
22 political contributions accepted, including interest or other
23 income on those contributions, maintained in one or more accounts
24 in which political contributions are deposited as of the last day of
25 the reporting period.

26 (a-1) A de minimis error in calculating or reporting a cash
27 balance under Subsection (a)(9) [~~(a)(8)~~] is not a violation of this

1 section.

2 (a-2) Subsection (a)(2) applies only to a candidate,
3 officeholder, or political committee that is required to file
4 reports with the commission, other than:

5 (1) a candidate for or holder of the office of district
6 attorney in a district composed of two or more counties;

7 (2) a specific-purpose committee for supporting or
8 opposing only a candidate described by Subdivision (1) or assisting
9 only an officeholder described by that subdivision;

10 (3) a candidate for an office described by Section
11 252.005(5); or

12 (4) a specific-purpose committee for supporting or
13 opposing only candidates for an office described by Section
14 252.005(5) or a measure described by Section 252.007(5).

15 SECTION 5. Section 254.0311(b), Election Code, is amended
16 to read as follows:

17 (b) A report filed under this section must include:

18 (1) the amount of contributions from each person,
19 other than a caucus member, that [~~in the aggregate~~] exceed \$50 and
20 that are accepted during the reporting period by the legislative
21 caucus, the full name and address of the person making the
22 contributions, and the dates of the contributions;

23 (2) for each individual from whom the legislative
24 caucus has accepted contributions that equal or exceed \$250 and
25 that are accepted during the reporting period:

26 (A) the individual's principal occupation or job
27 title; and

- 1 (B) the full name of the individual's employer;
- 2 (3) the amount of loans that are made during the
- 3 reporting period to the legislative caucus and that in the
- 4 aggregate exceed \$50, the dates the loans are made, the interest
- 5 rate, the maturity date, the type of collateral for the loans, if
- 6 any, the full name and address of the person or financial
- 7 institution making the loans, the full name and address, principal
- 8 occupation, and name of the employer of each guarantor of the loans,
- 9 the amount of the loans guaranteed by each guarantor, and the
- 10 aggregate principal amount of all outstanding loans as of the last
- 11 day of the reporting period;
- 12 (4) [~~(3)~~] the amount of expenditures that in the
- 13 aggregate exceed \$50 and that are made during the reporting period,
- 14 the full name and address of the persons to whom the expenditures
- 15 are made, and the dates and purposes of the expenditures;
- 16 (5) [~~(4)~~] the total amount or a specific listing of
- 17 contributions of \$50 or less accepted from persons other than
- 18 caucus members and the total amount or a specific listing of
- 19 expenditures of \$50 or less made during the reporting period; and
- 20 (6) [~~(5)~~] the total amount of all contributions
- 21 accepted, including total contributions from caucus members, and
- 22 the total amount of all expenditures made during the reporting
- 23 period.

24 SECTION 6. Section 254.0312, Election Code, is amended to

25 read as follows:

26 Sec. 254.0312. BEST EFFORTS. (a) A person required to

27 file a report under this chapter is considered to be in compliance

1 with Section 254.031(a)(2), 254.0311(b)(2), 254.0611, 254.0911, or
2 254.1211 [~~254.0612, 254.0912, or 254.1212~~] only if the person or
3 the person's campaign treasurer shows that the person has used best
4 efforts to obtain, maintain, and report the information required by
5 those sections. A person is considered to have used best efforts to
6 obtain, maintain, and report that information if the person or the
7 person's campaign treasurer complies with this section.

8 (b) Each written solicitation for political contributions
9 or legislative caucus contributions from an individual must
10 include:

11 (1) a clear request for the individual's full name and
12 address, the individual's principal occupation or job title, and
13 the full name of the individual's employer; and

14 (2) an accurate statement of state law regarding the
15 collection and reporting of individual contributor information,
16 such as:

17 (A) "State law requires (certain candidates,
18 officeholders, [~~or~~] political committees, or legislative caucuses,
19 as applicable) to use best efforts to collect and report the full
20 name and address, principal occupation or job title, and full name
21 of employer of individuals whose contributions equal or exceed \$250
22 [~~\$500~~] in a reporting period."; or

23 (B) "To comply with state law, (certain
24 candidates, officeholders, [~~or~~] political committees, or
25 legislative caucuses, as applicable) must use best efforts to
26 obtain, maintain, and report the full name and address, principal
27 occupation or job title, and full name of employer of individuals

1 whose contributions equal or exceed \$250 [~~\$500~~] in a reporting
2 period."

3 (c) For each political contribution or legislative caucus
4 contribution received from an individual that, when aggregated with
5 all other political contributions or legislative caucus
6 contributions received from the individual during the reporting
7 period, equals or exceeds \$250 [~~\$500~~] and for which the information
8 required by Section 254.031(a)(2), 254.0311(b)(2), 254.0611,
9 254.0911, or 254.1211 [~~254.0612, 254.0912, or 254.1212~~] is not
10 provided, the person must make at least one oral or written request
11 for the missing information. A request under this subsection:

12 (1) must be made not later than the 30th day after the
13 date the contribution is received;

14 (2) must include a clear and conspicuous statement
15 that complies with Subsection (b);

16 (3) if made orally, must be documented in writing; and

17 (4) may not be made in conjunction with a solicitation
18 for an additional [~~political~~] contribution.

19 (d) A person must report any information required by Section
20 254.031(a)(2), 254.0311(b)(2), 254.0611, 254.0911, or 254.1211
21 [~~254.0612, 254.0912, or 254.1212~~] that is not provided by the
22 individual making the political contribution or legislative caucus
23 contribution and that the person has in the person's records of
24 political contributions or legislative caucus contributions or
25 previous reports under this chapter.

26 (e) A person who receives information required by Section
27 254.031(a)(2), 254.0311(b)(2), 254.0611, 254.0911, or 254.1211

1 ~~[254.0612, 254.0912, or 254.1212]~~ after the filing deadline for the
2 report on which the contribution is reported must include the
3 missing information on the next report the person is required to
4 file under this chapter.

5 SECTION 7. Section 254.037(b), Election Code, is amended to
6 read as follows:

7 (b) The deadline for filing a report electronically with the
8 commission as required by this chapter is 11:59 p.m. ~~[midnight]~~ on
9 the last day for filing the report.

10 SECTION 8. Section 254.038(c), Election Code, is amended to
11 read as follows:

12 (c) A report under this section shall be filed
13 electronically, by telegram or telephonic facsimile machine, or by
14 hand, in the form required by Section 254.036. The commission must
15 receive a report under this section filed by telegram, telephonic
16 facsimile machine, or hand not later than 5 p.m. of the first
17 business day after the date the contribution is accepted. The
18 commission must receive a report under this section filed
19 electronically not later than 11:59 p.m. ~~[midnight]~~ of the first
20 business day after the date the contribution is accepted. A report
21 under this section is not required to be accompanied by the
22 affidavit required under Section 254.036(h) or to be submitted on a
23 form prescribed by the commission. A report under this section
24 that complies with Section 254.036(a) must be accompanied by an
25 affidavit under Section 254.036(c)(1) unless the candidate or
26 committee has submitted an affidavit under Section 254.036(c)(1)
27 with another report filed in connection with the election for which

1 a report is required under this section.

2 SECTION 9. Section 254.0611(a), Election Code, is amended
3 to read as follows:

4 (a) In addition to the contents required by Sections 254.031
5 and 254.061, each report by a candidate for a judicial office
6 covered by Subchapter F, Chapter 253, must include:

7 (1) the total amount of political contributions,
8 including interest or other income, maintained in one or more
9 accounts in which political contributions are deposited as of the
10 last day of the reporting period;

11 (2) for each individual from whom the person filing
12 the report has accepted political contributions that [~~in the~~
13 ~~aggregate~~] exceed \$250 [~~\$50~~] and that are accepted during the
14 reporting period:

15 (A) the principal occupation or [~~and~~] job title
16 of the individual and the full name of the employer of the
17 individual or of the law firm of which the individual or the
18 individual's spouse is a member, if any; or

19 (B) if the individual is a child, the full name of
20 the law firm of which either of the individual's parents is a
21 member, if any;

22 (3) a specific listing of each asset valued at \$500 or
23 more that was purchased with political contributions and on hand as
24 of the last day of the reporting period;

25 (4) for each political contribution accepted by the
26 person filing the report but not received as of the last day of the
27 reporting period:

1 (A) the full name and address of the person
2 making the contribution;

3 (B) the amount of the contribution; and

4 (C) the date of the contribution; and

5 (5) for each outstanding loan to the person filing the
6 report as of the last day of the reporting period:

7 (A) the full name and address of the person or
8 financial institution making the loan; and

9 (B) the full name and address of each guarantor
10 of the loan other than the candidate.

11 SECTION 10. Section 254.151, Election Code, is amended to
12 read as follows:

13 Sec. 254.151. ADDITIONAL CONTENTS OF REPORTS. In addition
14 to the contents required by Section 254.031, each report by a
15 campaign treasurer of a general-purpose committee must include:

16 (1) the committee's full name and address;

17 (2) the full name, residence or business street
18 address, and telephone number of the committee's campaign
19 treasurer;

20 (3) the identity and date of the election for which the
21 report is filed, if applicable;

22 (4) the name of each identified candidate or measure
23 or classification by party of candidates supported or opposed by
24 the committee, indicating whether the committee supports or opposes
25 each listed candidate, measure, or classification by party of
26 candidates;

27 (5) the name of each identified officeholder or

1 classification by party of officeholders assisted by the committee;

2 (6) [~~the principal occupation of each person from whom~~
3 ~~political contributions that in the aggregate exceed \$50 are~~
4 ~~accepted during the reporting period,~~

5 [~~(7)~~] the amount of each political expenditure in the
6 form of a political contribution made to a candidate, officeholder,
7 or another political committee that is returned to the committee
8 during the reporting period, the name of the person to whom the
9 expenditure was originally made, and the date it is returned;

10 (7) [~~(8)~~] on a separate page or pages of the report,
11 the identification of any contribution from a corporation or labor
12 organization made and accepted under Subchapter D, Chapter 253; and

13 (8) [~~(9)~~] on a separate page or pages of the report,
14 the identification of the name of the donor, the amount, and the
15 date of any expenditure made by a corporation or labor organization
16 to:

17 (A) establish or administer the political
18 committee; or

19 (B) finance the solicitation of political
20 contributions to the committee under Section 253.100.

21 SECTION 11. Section 254.1541(b), Election Code, is amended
22 to read as follows:

23 (b) A report by a campaign treasurer of a general-purpose
24 committee to which this section applies may include, instead of the
25 information required under Sections 254.031(a)(1) and (6) [~~(5) and~~
26 ~~Section 254.151(6)~~]:

27 (1) the amount of political contributions from each

1 person that [~~in the aggregate~~] exceed \$100 and that are accepted
2 during the reporting period by the committee, the full name and
3 address of the person making the contributions, [~~the person's~~
4 ~~principal occupation,~~] and the dates of the contributions; and

5 (2) the total amount or a specific listing of the
6 political contributions of \$100 or less accepted and the total
7 amount or a specific listing of the political expenditures of \$100
8 or less made during the reporting period.

9 SECTION 12. Section 254.156, Election Code, is amended to
10 read as follows:

11 Sec. 254.156. CONTENTS OF MONTHLY REPORTS. Each monthly
12 report filed under this subchapter must comply with Sections
13 254.031 and 254.151 except that the maximum amount of a political
14 contribution, expenditure, or loan that is not required to be
15 individually reported is:

16 (1) \$10 [~~in the aggregate~~]; or

17 (2) \$20 [~~in the aggregate~~] for a contribution accepted
18 by a general-purpose committee to which Section 254.1541 applies.

19 SECTION 13. Sections 254.0612, 254.0912, and 254.1212,
20 Election Code, are repealed.

21 SECTION 14. (a) Chapters 251 and 253, Election Code, as
22 amended by this Act, apply only to a political contribution
23 accepted on or after September 1, 2009. A political contribution
24 accepted before September 1, 2009, is governed by the law in effect
25 on the date the contribution is accepted, and the former law is
26 continued in effect for that purpose.

27 (b) Chapter 254, Election Code, as amended by this Act,

1 applies only to a report of political contributions and
2 expenditures or legislative caucus contributions and expenditures
3 that is due on or after January 1, 2010. A report of political
4 contributions and expenditures or legislative caucus contributions
5 and expenditures that is due before January 1, 2010, is governed by
6 the law in effect on the date the report is due, and the former law
7 is continued in effect for that purpose.

8 SECTION 15. This Act takes effect September 1, 2009.